Federal Communications Commission 445 12th Street, S.W. Washington, D.C. 20554

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DA 05-2282

Released: August 12, 2005

DOMESTIC SECTION 214 APPLICATION FILED FOR TRANSFER OF CONTROL OF WINSTAR COMMUNICATIONS, LLC, FROM WINSTAR HOLDINGS, LLC TO GVC NETWORKS, LLC

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 05-242

Comments Due: August 26, 2005

Reply Comments Due: September 2, 2005

On July 21, 2005, Winstar Communications, LLC ("Winstar") and GVC Networks, LLC ("GVC" or "Transferee") (collectively, "Applicants") filed an application pursuant to sections 63.03 and 63.04 of the Commission's rules requesting authority to transfer control of Winstar's domestic and international Section 214 authorizations from Winstar Holdings, LLC ("Winstar Holdings") to GVC.¹

Applicants assert that this transaction is entitled to presumptive streamlined treatment pursuant to sections 63.03(b)(1)(ii) of the Commission's rules. The Transferee, GVC and its direct and indirect owners do not provide domestic interstate telecommunications services and do not have an ownership interest in any company that provides domestic telecommunications services. Accordingly, the acquisition of control of Winstar will not result in an increased concentration in any market for telecommunications services in the United States.²

Winstar is a limited liability company organized under the laws of the State of Delaware. Winstar is authorized to provide domestic interstate telecommunications services,³ and global or

Applicants are also filing an application for transfer of control associated with authorization for international services. Any action on this domestic 214 application is without prejudice to Commission action on other related, pending applications.

² 47 C.F.R. § 63.03(b)(1)(ii).

Winstar operates it telecommunications services directly and through the following wholly-owned subsidiaries: Winstar Communications of Arizona, LLC; Winstar of Delaware, LLC; Winstar of Georgia, LLC; Winstar of Hawaii, LLC; Winstar of Indiana, LLC; Winstar of Louisiana, LLC; Winstar of New Jersey, LLC;

limited global facilities-based international service. Winstar is a wholly-owned operating subsidiary of Winstar Holdings. IDT Corporation ultimately owns Winstar Holdings. IDT is a publicly held corporation organized under the laws of the State of Delaware.

GVC is a Delaware limited liability company wholly owned by GVC Holdings, Inc., a U.S. corporation. GVC is a minority-owned enterprise formed to provide facilities-based local, long distance, and high speed data (broadband) communications services to business and multitenant residential entities. GVC is currently authorization to provide these services in the State of Michigan.⁴ The following individuals hold a 10% or greater equity interest in GVC Holdings: Kirkland Dudley, a U.S. citizen, 51%; and Dwayne Logan, a U.S. citizen, 34%.

As part of the proposed transaction, Winstar's parent company, Winstar Holdings, will form a subsidiary, Winstar, LLC ("Winstar Newco") and GVC will also form a wholly-owned subsidiary ("GVC NewCo"). Winstar NewCo will merge into GVC NewCo. Winstar NewCo will be the surviving entity after the merger. As a result of the merger, Winstar NewCo, along with Winstar, will be spun off from Winstar Holdings, whereby GVC will acquire, indirectly, 100% of the equity interest in Winstar through its ownership interest in Winstar NewCo.

Applicants state that the proposed transaction will serve the public interest by ensuring the continuation of Winstar's business and its position as a strong competitor in the domestic and international telecommunications markets, assuring that the benefits of competition generated by Winstar's presence will not be lost to consumers. Applicants state the proposed transaction will be completed at the holding company level and will not change the rates, terms or conditions of Winstar's services, the proposed transaction will be transparent to customers of Winstar receiving services in the United States. GVC will supplement Winstar's current management, the majority of whom will be retained post-close, and will bring additional capital to Winstar. In addition, Applicants indicate that GVC, as a minority-owned enterprise, whose objective is not only to serve existing Winstar customers but to extend its product line, including broadband communications to underserved and minority populations throughout the United States, will improve telecommunications infrastructure and economic opportunities for the United States as a whole.

GENERAL INFORMATION

The transfer of control identified herein has been found, upon initial review, to be acceptable for filing as a streamlined application. The Commission reserves the right to return any transfer of control application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Pursuant to sections 1.415 and 1.419 of the Commission's rules, 47 CFR §§ 1.415, 1.419, interested parties may file comments on or before August 26, 2005 and reply comments on or before September 2,

Winstar of New York, LLC; Winstar of Pennsylvania, LLC; Winstar of Virginia, LLC; and Winstar of West Virginia, LLC.

See Michigan Public Service Commission, Case U-13828.

2005. Unless otherwise notified by the Commission, Applicants are permitted to transfer the assets and related control on the 31st day after the date of this notice. Comments may be filed using: (1) the Commission's Electronic Comment Filing System (ECFS), (2) the Federal Government's eRulemaking Portal, or (3) by filing paper copies. See Electronic Filing of Documents in Rulemaking Proceedings, 63 FR 24121 (1998).

- Electronic Filers: Comments may be filed electronically using the Internet by accessing the ECFS: http://www.fcc.gov/cgb/ecfs/ or the Federal eRulemaking Portal: http://www.regulations.gov. Filers should follow the instructions provided on the website for submitting comments.
- For ECFS filers, if multiple docket or rulemaking numbers appear in the caption of this proceeding, filers must transmit one electronic copy of the comments for each docket or rulemaking number referenced in the caption. In completing the transmittal screen, filers should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions, filers should send an e-mail to ecfs@fcc.gov, and include the following words in the body of the message, "get form." A sample form and directions will be sent in response.
- Paper Filers: Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rulemaking number.

Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail). All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

The Commission's contractor will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, NE., Suite 110, Washington, DC 20002. The filing hours at this location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of <u>before</u> entering the building. Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743. U.S. Postal Service first-class, Express, and Priority mail should be addressed to 445 12th Street, SW, Washington DC 20554.

People with Disabilities: To request materials in accessible formats for people with

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⁵ See 47 C.F.R. § 63.03(a).

Such authorization is conditioned upon receipt of any other necessary approvals from the Commission in connection with the proposed transaction.

disabilities (braille, large print, electronic files, audio format), send an e-mail to <u>fcc504@fcc.gov</u> or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432 (tty).

You may submit comments, identified by the above noted docket number, by any of the following methods:

- Federal eRulemaking Portal: http://www.regulations.gov. Follow the instructions for submitting comments.
- Federal Communications Commission's Web Site: http://www.fcc.gov/cgb/ecfs/. Follow the instructions for submitting comments.
- People with Disabilities: Contact the FCC to request reasonable accommodations (accessible format documents, sign language interpreters, CART, etc.) by e-mail: FCC504@fcc.gov or phone: 202-418-0530 or TTY: 202-418-0432.

In addition, one copy of each pleading must be sent to each of the following:

- (1) The Commission's duplicating contractor, Best Copy and Printing, Inc., 445 12th Street, SW, Room CY-B402, Washington, DC 20554, www.bcpiweb.com; phone: (202) 488-5300 fax: (202) 488-5563;
- (2) Tracey Wilson-Parker, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C212, Washington, D.C. 20554; email: tracey.wilson-parker@fcc.gov;
- (3) Renée R. Crittendon, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C317, Washington, D.C. 20554; e-mail: renee.crittendon@fcc.gov;
- (4) Susan O'Connell, Policy Division, International Bureau, 445 12th Street, S.W., Room 7-B544, Washington, D.C. 20554; email: susan.o'connell@fcc.gov; and
- (5) James Bird, Office of General Counsel, 445 12th Street, S.W., Room 8-C824, Washington, D.C. 20554; e-mail: james.bird@fcc.gov.

Filings and comments are also available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, SW, Room CY-A257, Washington, DC, 20554. They may also be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc., Portals II, 445 12th Street, SW, Room CY-B402, Washington, DC 20554, telephone: (202) 488-5300, fax: (202) 488-5563, or via e-mail www.bcpiweb.com.

For further information, please contact Tracey Wilson-Parker, at (202) 418-1394, or Renée R. Crittendon at (202) 418-2352.